

Department of Social and Health Services

DP Code/Title: M2-PH OLMSTEAD

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2001-03 Version: D3 040 2001-03 2003 Sup Agency Req

Recommendation Summary Text:

The expected level of savings from the Residential Habilitation Center (RHC) cottage closures will not be realized due to a slower rate of placements into the community. Savings from the slower placement of clients into community placements will not be sufficient to offset the resulting higher operating costs for the RHCs.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	825,000	825,000
001-C General Fund - Basic Account-DSHS Medicaid Federal	0	762,000	762,000
Total Cost	0	1,587,000	1,587,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	40.0	20.0

Package Description:

In the 2001-03 Biennial Budget, Developmental Disabilities Services (DDS) planned to place 92 individuals from the RHCs and community Intermediate Care Facilities for the Mentally Retarded (ICF/MRs) into the community. Based upon these moves and predicted vacancies due to mortality, DDS planned to close eight RHC cottages. These eight closures were to produce savings of approximately \$81,000 per cottage per month. The expected levels of mortality have not occurred as forecasted. Additionally, fewer persons have chosen to move from RHCs to the community and community residential program development has proceeded at a slower than anticipated pace.

There are several reasons why DDS is behind schedule in moving people: (1) finding affordable, accessible housing has proven difficult; (2) developing services that remain within available funding for people who have a high level of challenging support needs has proven difficult; and (3) finding two or more compatible roommates to share living quarters in order to reduce costs takes time, coordination, and increased effort.

The 2001-03 Biennial Budget allowed for funds not expended for Olmstead outplacements to be used to meet the shortfall in the RHCs operating expenditures. After these savings are considered, DDS will need an additional \$1.6 million to continue to operate the RHCs.

Narrative Justification and Impact Statement

How contributes to strategic plan:

DDS will design and maintain an effective system of residential supports and services that provide a full range of service options based on assessed needs, emphasizing choice and efficient resource utilization.

Performance Measure Detail

Program: 040

Goal: 03D Design/maintain system of residential supports and services

No measures submitted for package

Incremental Changes
FY 1 **FY 2**

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Reason for change:

Vacancies at the RHCs have not occurred as anticipated. Therefore, consolidations and closures have not taken place as planned and anticipated savings will not be realized.

Impact on clients and services:

This will enable DDS to continue assistance to clients at the RHCs, until they can be placed into the community.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None

Budget impacts in future biennia:

Costs for the RHCs will carry forward.

Distinction between one-time and ongoing costs:

The higher staffing levels at the RHCs will result in increased carry forward levels of staffing and costs.

Effects of non-funding:

Reductions in services at the RHCs will take place.

Expenditure Calculations and Assumptions:

See attachment - DDS M2-PH Olmstead.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	1,063,000	1,063,000
B Employee Benefits	0	524,000	524,000
Total Objects	0	1,587,000	1,587,000

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DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	825,000	825,000
<i>Total for Fund 001-1</i>		0	825,000	825,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	762,000	762,000
<i>Total for Fund 001-C</i>		0	762,000	762,000
Total Overall Funding		0	1,587,000	1,587,000